

Vermont Open Enrollment and Qualified Health Plan (QHP) Renewals for 2022

Background

This memo summarizes the state of Vermont's intended methodology for QHP annual redeterminations ("renewals") for 2022, pursuant to 45 CFR 155.335(a)(2)(iii)¹. Vermont's state-based marketplace, Vermont Health Connect (VHC), is administered by the eligibility and enrollment unit within the Department of Vermont Health Access (DVHA).

DVHA continues to navigate multiple changes associated with the Public Health Emergency caused by COVID-19 including recent updates mandated by the American Rescue Plan Act (ARPA). A special enrollment period for uninsured Vermonters has been open since February 16, 2021, and will run through October 1, 2021. DVHA also continues to navigate Medicaid program changes as a result of the emergency while preparing for and executing open enrollment.

Additionally, as part of our Premium Processing Project, DVHA is on track to transfer billing responsibilities to the issuers. This change will take effect with the first invoice for 2022 which is scheduled to be mailed in December 2021 by the issuers.

The operational and system methodology for 2022 redetermination is largely similar to that of previous years. At this time, our projects are on schedule, and we do not expect them to affect our redetermination plan. Vermont's goal is to maintain stability for the QHP population during this time.

ARPA Impacts

ARPA expands eligibility parameters for federal financial assistance for health coverage. Existing VHC customers who are currently enrolled in a QHP and receiving APTC may be eligible for an increase in subsidies. ARPA also extends premium tax credit eligibility above 400% of FPL so QHP enrollees who were previously not eligible due to income may become eligible for subsidies.

Additionally, any QHP customer eligible for APTC who reports that they were eligible for unemployment benefits at any time in 2021 will be deemed at 133% FPL and will be eligible for subsidies for this income level for coverage year 2021.

ARPA will substantially change Open Enrollment in terms of who is eligible for subsidies and how much they are eligible to receive. During the spring of 2021, DVHA has been working to implement the changes associated with ARPA and the system updates are scheduled to be completed by mid-June. At that time, an eligibility re-determination will be performed on all QHP customers requesting financial assistance.

Immediately following the system updates related to ARPA, DVHA will begin system development for 2022 Open Enrollment coverage. This work will include ensuring the rules engine has correct eligibility factors in place to determine eligibility for 2022 coverage. It is DVHA's understanding that ARPA's expanded eligibility parameters for federal financial assistance and the extension of premium tax credit eligibility above 400% of FPL will continue into 2022. The extra benefit associated with Unemployment Income is scheduled to expire at the

¹ HBEE 75.02(a)(3)

end of 2021. The changes being implemented for system and process updates are designed with these understandings. It will be very difficult for DVHA to accommodate any additional alterations should these ARPA provisions change for 2022.

QHP Renewals

For QHP renewals, DVHA uses automated renewal functionality which allows for self-service plan selection during open enrollment, self-service change reporting, automated noticing, and automated QHP issuer and billing integration.

1. Renewals Preparation and System Setup

In early August, DVHA will notice those QHP enrollees who did not provide authorization to obtain IRS data for their renewal. This “zero auth” notice will give instructions for providing authorization and explain that, if authorization is not given, any APTC will be removed for 2022. This population was expected to be around 800 this year, though increased member activity around ARPA could drive this figure lower.

As soon as 2022 QHPs have completed the rate review and certification process in early September, the VHC rules engine will be updated to calculate 2022 eligibility using updated eligibility data. The marketplace will execute one-to-one plan mapping for default reenrollment. The Vermont QHP market will remain stable for enrollees transitioning from 2021 – 2022 with the expectation that there will be no new plans and all existing plans will continue to be offered. For the 2022 plan year the individual and small group markets will undergo separate premium rate review and approval processes though the plan offerings will be the same for both market segments. Rate increases in the individual market will be largely offset by increased federal subsidy under the ARPA which will benefit the majority of individual customers. At this time, there are no indications that the rate review and approval timing due to the unmerging of market segments for 2022 creates a risk of delay to completion of QHP certification by early September.

Issuers will be given the opportunity to confirm the accuracy of 2022 plan data from the VHC live system prior to open enrollment, and the plans will be posted on the VHC informational website for customer shopping. The Plan Comparison Tool will also be available in October for customers to shop for 2022 QHPs before Open Enrollment begins.

The goal of this preparatory phase is to have all the updated rules, plans and authorizations in place to project 2022 eligibility for QHP enrollees prior to open enrollment.

2. Noticing and Plan Mapping

In early October, DVHA will send standardized renewal notices to all enrolled households² directing them to the VHC portal, or to call the call center, for their projected eligibility and mapped plan for 2022. The notices will stress the importance of reporting updated household information, the requirement to report any eligibility change, and instructions for doing so. The notices will also include a description of open enrollment, the redetermination process, and the plan selection deadline – currently expected to be December 15, 2021 – for coverage starting January 1, 2022. Finally, the standard renewal notices will include generic reminders and calls to

² Approximately 20,000 households which could potentially increase due to ARPA enrollments.

action for those with outstanding data-matching issues, age-off populations, and those who enter a grace period during Open Enrollment.

In mid-October, DVHA will process a batch activity wherein eligibility is projected for every household based on most recent, customer-reported case data. The hub is pinged using the Renewal and Redetermination Verification (RRV) Service. As part of the process, verification statuses are refreshed, and eligibility is redetermined (using the new ARPA criteria). For example, an enrollee who has not authorized retrieval of tax information for this renewal, will show that they are not eligible for subsidies in the next plan year. A catastrophic plan enrollee who has turned 30 will show as no longer eligible for the catastrophic plan. This projected eligibility is populated into the VHC portal along with default re-enrollment (plan mapping) for customer review.

Subsequently, issuers will send renewal notices to customers that will include the cost of their 2021 plan and cost of 2022 plan.³ The issuers' notices will also explain that these costs are the gross premiums – premiums before subsidies – and will refer customers to DVHA to review their 2022 subsidies and net costs, if applicable.

The batch activity will also be the basis of the transmission of a batch re-enrollment file to QHP issuers. This will re-enroll all known QHP enrollees into an equivalently mapped 2022 QHP. Therefore, an individual who is enrolled in a QHP and whose QHP remains available will not be required to reapply or take other actions to renew coverage for the following year. They must only pay their premium due. This default passive enrollment will aid to maintain the State's existing high rate of insured individuals.

3. Outreach and Education

Vermont's open enrollment effort will be supported by the broad availability of in-person assistance, online health insurance literacy resources, key community partners, and mass media. Key messages include reminders of the December 15 deadline⁴ and encouragement to reconsider plan selection through comparison shopping.

Vermont's Assister Network consists of more than 100 Certified Application Counselors, Navigators, and Brokers working in 50 organizations including hospitals, clinics, and community-based organizations. Assister support is available in all of Vermont's 14 counties to help Vermonters enroll in health coverage through Vermont's health insurance marketplace. They also coordinate with state eligibility staff to promote health insurance literacy, help customers understand the total cost of insurance, and ensure that Vermonters are aware of the deadline for signing up as well as the requirement to maintain health insurance.⁵

DVHA uses the Plan Comparison Tool to help Vermonters better understand their subsidies and assess how various plan designs and out-of-pocket costs could impact their total health care costs. The tool is expected to continue to play a key role in equipping individuals and employees of small businesses to choose the best health plan for their families' needs and budgets.

Additionally, DVHA will mail invoice stuffers regarding Open Enrollment to current QHP enrollees with the August through November invoice runs. New language will also be added

³ 45 CFR 156.1255

⁴ 45 CFR 155.410(f)(2)(i). HBEE 71.02(F)

⁵ 32 VSA 10452.

about premium payments going directly to the issuers for 2022.

4. Redetermination

Beginning November 1, 2021, QHP enrollees will be able to call or log into the portal to make a change for their renewal. This will include the ability to authorize retrieval of tax information. Changes will be implemented using the automated change of circumstance process, and 2022 projected eligibility will be updated accordingly. An 834 transaction will be generated overriding the original re-enrollment.

All households, whether or not they have completed an active re-enrollment as described above, will receive a notice of decision reflecting their 2022 redetermination in November. The notice will be updated if a household takes further action on their renewal. If an enrollee does not report or make a change by December 15, they will remain re-enrolled according to their projected eligibility and mapped plan. Customers will receive invoices from the issuers in December for January 2022 coverage

5. Failure to Reconcile (FTR)

The American Rescue Plan Act of 2021 waives repayment of any excess premium tax credit received by marketplace participants during 2020. Because of this waiver, customers will not be required to reconcile their 2020 APTC. The IRS has confirmed they will suppress all 2020 FTR codes which means when customers are renewed for 2022 coverage there will not be any customers who lose their APTC due to FTR.

6. Interaction with Medicaid

VHC is an integrated marketplace providing both Medicaid and QHP coverage. DVHA renews the MAGI-based Medicaid enrollees annually, according to a monthly schedule. Therefore, QHP renewals and certain Medicaid renewals will be taking place contemporaneously during open enrollment.⁶ For “mixed” households with both Medicaid and QHP enrollees, the QHP renewal notice includes language reminding customers that eligibility for the entire household will be updated as a result of a reported change, if applicable. Medicaid members in mixed households will be renewed through a separate process and will receive Medicaid specific renewal notices.

Regulatory Standard

The State’s approach to annual redetermination meets federal standards for approval of an alternative procedure⁷ by:

- ☐ facilitating continued enrollment in coverage,
- ☐ providing clear information about the process to the qualified individual or enrollee (including regarding any action by the qualified individual or enrollee necessary to obtain the most accurate redetermination of eligibility), and
- ☐ providing adequate program integrity protections.

⁶ The overlap is minimized in 2021 since Vermont is not processing Medicaid renewals that could result in termination during the Public Health Emergency.

⁷ 45 CFR 155.335(a)(2)(iii).